Exemption of edible oils from Excise duty

522. SHRI S. S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that as per the provisions of the Finance Bill, production of edible oils stands exempted from payment of excise duty;

(b) whether it is also a fact that the prices of all the varieties of edible oils have been increasing following the Budget announcement notwithstanding the fact that the edible oils have been exempted from the excise duty in the Budget for 1990-91;

(c) whether Government have ascertained if the hike in prices of edible oils in the immediate post-Budget period is due to genuine rise in the cost of inputs; and

(d) if so, what are the details thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) Excise duty exemption given in the Budget 1990-91 was only in respect of refined rapeseed/mustard oil.

(b) Between March 17 and April 14, 1990, the price indices of groundnut oil and mustard oil registered an increase.

(c) and (d) The increase in oil prices during the current year is mainly attributable to the expectation of a lower oil-seed production as against the actual production during the preceding year.

Locked up capital of Financial institutions in sick units

523. DR. YELAMAKCH1L1 SIVAJI: Will the Minister of FINANCE be pleased to state:

(a) what is the extent of locked up capital of various financial institutions in the sick units; and

(b) what steps have been taken to recover the same and with what results ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) The details of the outstandings/exposure of the four all India term lending financial institutions namely, IDBI, IFCI, ICICI and IRBI, in sick units, are as under:

Name of the Financial Institutions	Nature of locked up capital	Amount (Rs. in crores)
IDBI	Principal amount outstanding in respect of load and non-load cases covered under Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) as on 31st March, 1990 . . .	532.00
IFCI	The total principal amount outstanding as on 31st Dec., 1989 in respect of sick units covered under SICA	89.95
ICICI	Exposure in sick units covered under SICA as on 31st March, 1990	343.23
IRBI	Amount outstanding in sick units as on 31st March, 1989 . .	206.00

(b) Sick units are monitored by financial institutions. The lead institution, for any particular unit, deals with problems faced by the sick units and evolves a rehabilitation package wherever a unit is found to be potentially viable, in consultation with other agencies involved. In case of a non-viable unit, action is initiated for the recovery of dues.

The Board for Industrial and Financial Reconstruction (BIFR) assesses viability in respect of units covered under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 and recommends suitable measures for revival or otherwise.

SruJy group to work oat suitable pattern of excise duty for cigarettes etc.

524. DR. BAPU KALDATE: Will the Minister of FINANCE be pleased to state:

(a) whether the study group appointed by Government to workout a suitable pattern of Central Excise Duty for cigarettes and other items submitted its report in August, 1988;

(b) if so, what are the details thereof; and

(c) whether the recommendations have been implemented; if not, what are the reasons therefor ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) to
(c) Two study groups were constituted out of the members of the Consultative Committee of the Ministry of Finance to suggest measures for rationalisation and simplification of tax laws, both direct and indirect. The group on indirect taxes submitted its report to the Consultative Committee on the 1st August, 1988. The group, in one of its recommendations, recommended a combination of specific-cum-ad *valorem* duties rather than purely specific duties. The recommendation was a general one and was not confined to cigarettes alone. The group placed its report before the Consultative Committee and the Committee recommended that specific rates of duties should be preferred over the *ad valorem* rates and that these rates should be reviewed periodically. The Committee was informed that the suggestion had been noted and that, in fact, review of specific rates of duties had been carried out in the budget 1989-90.

Ancillary units attached *to* Visakhapatnam Steel Plant

525. DR. YELAMANCHILI SIVAJI: Will the Minister of STEEL AND MINES be pleased to state

(a) the number of ancillary units registered and attached to Visakhapatnam Steel Plant; what items do they produce; and

(b) whether any application is pending for awarding ancillary status; if so, what are the details thereof ?

THE MINISTER OF STEEL AND MINES WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): (a) Nil.

(b) Certain requests 'have been made to VSP for ancillary status for the manufacture and supply of Lancing Pipes, Casting Powder Desulphurisation Compound and Carbon Brushes.